

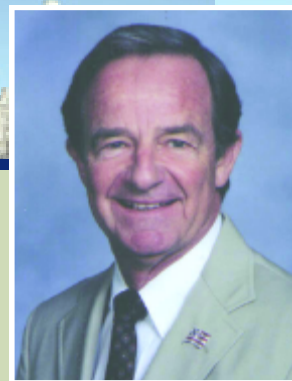


## Senator Johnny Nugent

200 W. Washington St.  
Indianapolis, IN 46204

News from the Indiana State Senate

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**Sen. Johnny Nugent**  
**Indiana Senate**  
**200 W. Washington St.**  
**Indianapolis, IN 46204**

# Senator Johnny Nugent

News from the Indiana State Senate

## Programs Offer Prescription Drug Discounts for Seniors

America leads the world in pushing the bounds of science to bring new prescription drugs to the market, resulting in lives saved and an increased quality of life. There are high costs involved in bringing these drugs to the open market. Part of that price tag is passed on to the consumer, which causes patients who do not have drug coverage to suffer financially. As a relief to those patients, some new programs have been established to help with the costs of prescription drugs.

The U.S. government has launched a new drug discount card that will provide immediate financial relief to seniors. This program, which took effect on June 1, allows recipients to choose a discount card program that best suits their needs. Medicare will be providing reliable and accessible information. Anyone who is enrolled in Medicare

Part A or Part B and not receiving Medicare benefits is eligible for the discount drug card program. For more information or to become enrolled, you may call 1-800-MEDICARE (1-800-633-4227) or visit the Medicare website at [www.medicare.gov](http://www.medicare.gov).

HoosierRx is a state program that helps to shift the cost of prescription drugs away from low-income seniors. HoosierRx was enacted four years ago by the General Assembly and allows seniors who qualify to receive a 75 percent discount on the cost of medications. This program will be coordinated with the Medicare discount drug card to maximize savings. Low-income seniors can sign up for the HoosierRx Drug Card by calling, toll-free, 1-866-267-4679 or by visiting [www.in.gov/HoosierRx](http://www.in.gov/HoosierRx). Local pharmacies will also have applications.

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Your local pharmacy  
also may have applications.

## Commission Studies Methods To Replace Property Taxes

The Property Tax Replacement Study Commission has met several times at the Statehouse. The property tax situation in Indiana is a frustration shared by many as the newly-formed committee, consisting of legislators, farmers, businessmen, and homeowners, develops methods to reduce local government's reliance on property taxes.

The reassessment process is complete in 90 counties, and agencies and organizations are collecting data that will aid the committee and the legislature in figuring ways to replace over \$5.5 billion in property taxes collected each year and to provide oversight of over 9,000 levies and 172 different types of funds for local government programs and services.

This monumental task is being conducted due to a law passed during the 2004 legislative session. The commission must study the effects of eliminating 50 percent, 75 percent, and 100 percent of net property tax levies.

One major hurdle for the commission is to identify revenue sources capable of replacing property taxes and providing sufficient revenue to maintain essential government services. The commission will submit status reports to the Legislative Council, which is the administrative body of the General Assembly, in September.

The goal is to lessen local governments' dependence on property taxes and create a more equitable and fair method of funding local government. As the commission continues its work this year, I'll keep you informed of the progress or you can contact my office for further information.

# Indiana Farms

..... Are They In Jeopardy?

Indiana loses approximately 100,000 acres of farmland a year to the growth and development of subdivided neighborhoods. Hamilton and Johnson Counties have seen the most urban growth in recent years and because of that, family farms are being forced to sell out to developers.

According to the Indiana Agricultural Statistics Services at Purdue University, the majority of farm loss occurred in mid-size farms and operations, which annually generate between \$10,000 and \$100,000 per farm. Smaller and larger farms are either growing or have been profitable enough to continue their operations.

This same research has found that commercial farms are consistently large enough to produce a positive return and those who own smaller farms are not living solely off of the crop revenue.

We in the legislature have tried to step in and

help prevent Indiana from losing more farms. In the 2004 legislative session, I supported a measure that would encourage the preservation of farmland. Senate Bill 362 would have allowed the Indiana Land Resource Council to work with local area planning departments to offer farmers and land owners compensation for voluntarily selling easements to restrict the land from developments.

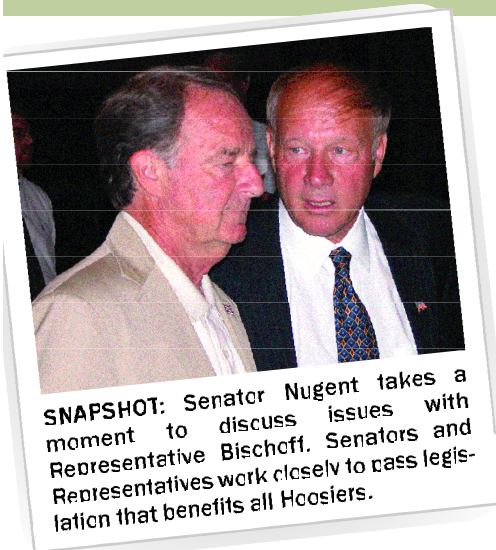
I believed then, and still believe, that SB 362 will be of great significance to our farmers and farmland. SB 362 passed the Senate but did not pass the House of Representatives because of time constraints, but look for a similar bill during the 2005 legislative session.

Farmland has been and will continue to be the foundation for Indiana's largest industry. We must work together to save this precious land and Indiana's heritage.



Senator Nugent was present for 100% of Senate roll call votes in the 2004 legislative session





**SNAPSHOT:** Senator Nugent takes a moment to discuss issues with Representative Bischoff. Senators and Representatives work closely to pass legislation that benefits all Hoosiers.

## Frequently Asked Questions About Indiana State Government

**Q: Why is the Indiana General Assembly called a “citizen legislature?”**

Indiana lawmakers spend only a few months each year at the Capitol. The rest of the year, each legislator lives and works in the district he or she represents. Our part-time legislature offers substantial savings to Indiana taxpayers. The National Conference of State Legislatures ranks Indiana 45 among the 50 states with regard to the expenditures of the legislature per capita.

**Q: How does a senator author a bill?**

A senator takes an idea for a bill to the non-partisan Legislative Services Agency. The staff provide necessary legal, fiscal, and research capabilities for the General Assembly. Drafting legislation, including major revisions of the Indiana Code, compiling and publishing the rules and regulations of state agencies, assisting study committees during the interim and standing committees during session, and furnishing figures on the estimated cost of existing or proposed state services are among the tasks performed by the LSA staff.

## Are You a Part of Indiana's Do Not Call List?

Sign Up Online or By Telephone



Indiana is one of 40 states that has the means to protect citizens against unwanted and unsolicited phone calls. In 2001, the Indiana General Assembly passed the "Telephone Privacy Program," which provides consumers the opportunity to avoid telemarketer calls at home. The Indiana Telephone Privacy Program allows Hoosiers to put their home telephone numbers on a "do not call" list. This list is updated quarterly and distributed to telemarketing companies. These companies can face hefty fines if they are in violation of Indiana guidelines. Getting your name on this "do not call" list is surprisingly easy. To enroll, simply call the toll-free number **(1-888-834-9969)** or visit the Attorney General's website at: **[www.in.gov/attorneygeneral/telephone](http://www.in.gov/attorneygeneral/telephone)**

Because this program is in the early stages of implementation, there are still a few kinks

that need to be worked out. For example, now that telemarketers are unable to reach you at home, they are looking for another outlet. Later this year, a wireless subscriber directory sponsored by the Cellular Telecommunications and Internet Association, will be published. It is speculated that this directory will include about 75 percent of all mobile phone numbers and will be accessible by real estate agents, telemarketers and other on-the-go professionals.

The federal government also is addressing this issue with legislation that will prevent wireless-phone companies from automatically distributing cell numbers into this directory. To prevent your mobile phone number from being distributed, please add it to Indiana's "do not call" list.

## Get Involved!

How to Participate in the Indiana General Assembly

**V**oting is one very important way to make sure your views and concerns are being represented in government, but there are many other ways citizens can get involved to make our state a better place to live.

**Write letters:** During a typical day, a public official receives dozens of e-mails and letters with messages conveying his or her constituents' interest in a particular bill or issues. The key to getting your public officials' attention is to keep it simple, keep it short and make sure it's directed to the right person. I encourage folks to communicate with me by writing letters and emails and by making phone calls. It is helpful to me to know your views on various issues of importance to you.

**Attend Interim Study or Standing committees:** During the interim, state legislators and local leaders meet publicly in study committees and commissions to discuss a variety of topics and decide if legislation is needed during the upcoming session. This is a great opportunity to hear discussion and voice your

opinion. You can find the calendar of meetings online at: **[www.in.gov/legislative/interim/calendar](http://www.in.gov/legislative/interim/calendar)**. The calendar is updated regularly. The legislative session allows the opportunity for citizens to come down to the Statehouse and listen to proposed legislation and provide public testimony. Often, you must request an opportunity to speak by contacting the committee chairmen before the meeting.

**Visit web sites:** The General Assembly and all state agencies have web sites that are available with information on a variety of topics and who to contact if you want more information. The General Assembly site has an area dedicated to when committee meetings are going, legislative surveys and links to email your senator. Go to **[www.in.gov/legislative](http://www.in.gov/legislative)**.

**Organize or attend local events:** A great way to stay involved and give back is to attend functions sponsored by these groups. If you feel that an area needs representation, form an organization and work together to further your cause.



## State Faces Tough Budget Decisions in 2005

Indiana Personal Income Lags the Nation

**O**n July 12, the state closed the books for Fiscal Year 2004. According to official figures released by the State Budget Agency, the state is expected to have a "surplus" or "reserve" of just \$300 million on June 30, 2005 – the close of the current budget cycle. As shown on **Figure 1**, this means the state's reserve will have declined by nearly \$2 billion since 1998.

The problem is that state spending has been exceeding state revenues for the past several years. State revenue collections actually decreased in both Fiscal Years 2001 and 2002 before showing a 0.5 percent increase in 2003. Revenue collections increased by about 2.7 percent for Fiscal Year 2004, the year that just ended.

In order to avoid big spending cuts in education and health care, the state has been using the surplus and employing spending delays and other temporary solutions. These measures make it possible for the state to spend nearly \$800 million more than it will collect this year. While there is nothing inherently wrong with these accounting measures – they have helped the state avoid big spending cuts in our schools - these measures are only one-time temporary fixes and cannot be sustained. So, while it may seem like Indiana's economy is improving, the state's financial condition actually

remains very weak.

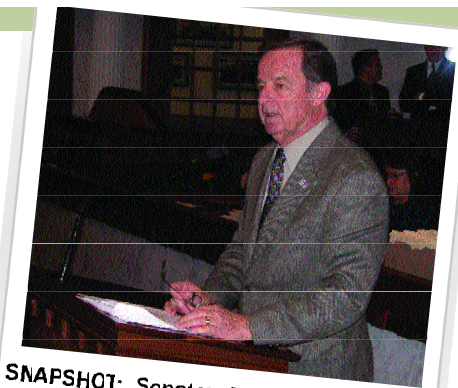
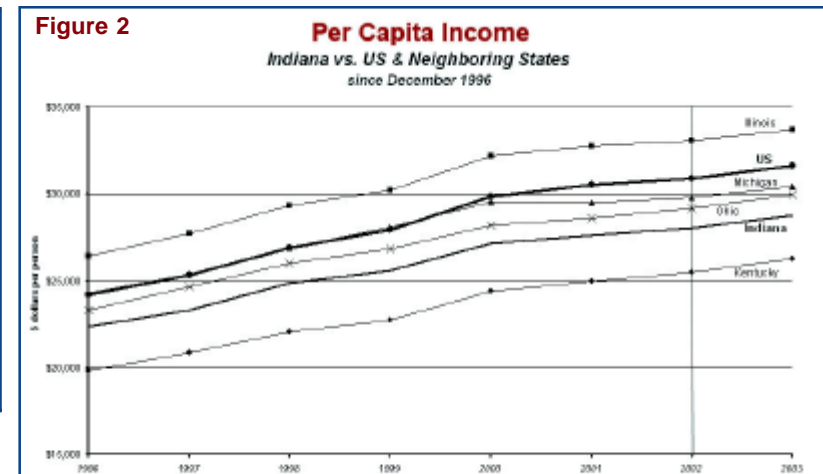
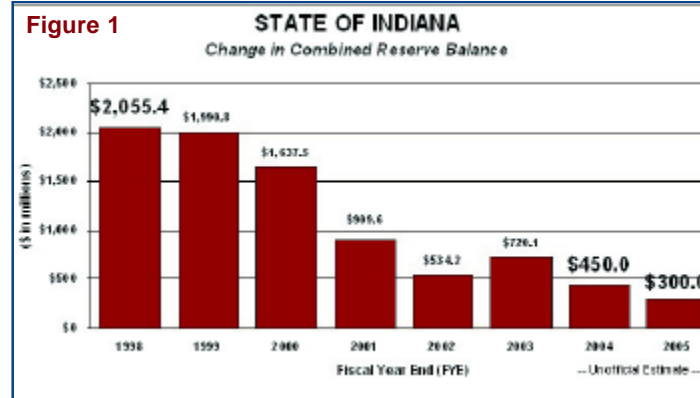
A \$300 million reserve sounds like a lot of money. But with an annual \$11.2 billion General Fund Budget, including big items such as \$4.3 billion for K-12 education, \$2.1 billion for local property tax relief, \$1.4 billion for universities and \$1.2 billion for Medicaid, \$300 million really is not a sufficient reserve. In fact, the State Budget spends more than \$30 million per day every day of the year. A \$300 million reserve barely funds 10 days of expenses.

The root of Indiana's budget problems is slow revenue growth. Part of the problem is job loss due to the recession. But the real problem is that Indiana lags the nation in personal income growth. As reflected in **Figure 2**, the problem has steadily grown since 1996.

Today, the average Hoosier worker earns only about 91 cents for every \$1.00 earned by the average worker nationwide. Just as Hoosier workers earn less, state tax revenues lag as well. If Indiana workers earned the same as the national average, the subsequent gain in tax revenues would erase the state's structural deficit. Indiana needs to improve its economy relative to the nation or Indiana's budget – and the ability to adequately fund priorities like education and health care - will remain a problem.

The problem is that state spending has been exceeding state revenues for the past several years. In order to avoid big spending cuts in schools and health care, the state has been using the surplus and employing spending delays and other temporary solutions.

While it may seem like Indiana's economy is improving, the state's financial condition remains very weak.



**SNAPSHOT:** Senator Nugent presents a piece of legislation during the 2004 legislative session. During the session, 503 Senate bills and 459 House Bills were filed.

## The Senate Page Program

The General Assembly offers students an important learning opportunity at the Statehouse.

Any student from 6th grade to 12th grade can sign up to serve as a page for a day. Students will be excused from school for the day.

Pages spend a day in the Senate assisting their local legislators. Responsibilities include responding to senators' requests, delivering messages and running errands. The day includes a tour of the Statehouse and observation of a session, if one is in progress.

Those interested in serving as a page should send their name, age, address, phone number and school affiliation to my office. The Page Office will begin accepting requests in November.